



PROJECT NAME AND LOCATION

LEASE AGREEMENT

This Agreement has been prepared in accordance with applicable USDA Rural Development regulations and State of Montana law. This Agreement is binding contract between landlord and tenant. The parties listed below in paragraph 1 agree as follows:

1. PARTIES TO THE LEASE

Owner:

(Referred to as “Owner” in this Lease Agreement)

Managing Agent:

(Referred to as “Manager” or “Agent” in this Lease Agreement)

Tenant:

Co-Tenant:

(Tenant and Co-Tenant will be collectively referred to as “Tenant” or “T” in the Lease Agreement)

Others who will reside in this Unit:

(Referred to as “Household Unit” in this Lease Agreement)

2. MANAGING AGENT AUTHORITY

_____ is Owner’s Agent and has complete authority to lease, collect rents, promulgate and enforce project rules and regulations, order repair, evict Tenants, prosecute claims on the Owner’s behalf and take any other action necessary to manage _____
(Project Name).

3. LEASED PREMISES

Unit _____ Bedroom Size _____

(Referred to as the "Premises" or "Unit" in this Lease Agreement)

4. **PETS.** The pet policy of this project is as follows:

a) **[Indicate on form whether pets are allowed with an "X" in the underlined space].**

___ ***Pets Are Allowed.*** This project is an elderly housing project, therefore the Tenant may have pets. The project rules, which are attached to this Lease Agreement and posted in the project office, more fully describe the project policy on pets and should be read carefully. Tenants shall not allow any visitors or guests to bring pets on the premises or accompanying grounds.

- OR -

___ ***Pets Are Not Allowed.*** Tenants are not allowed to house pets on the premises or on the accompanying grounds of projects which are not designated as elderly housing projects. Additionally, tenants shall not allow any visitors or guests to bring pets on the premises or accompanying grounds.

b) In all projects if a Tenant is handicapped or disabled and requires a service animal for assistance, such animal may reside on the premises with verification of need and prior management permission.

5. **NUMBER OF OCCUPANTS.** The number of occupants listed above must be in accordance with occupancy limits as set forth by Owner/Manager based upon local codes and ordinances and Rural Development regulations as each may change from time to time. Owner/Manager may change the occupancy limit during the lease term if changes in laws, ordinances or regulations make such change necessary. The minimum occupancy limit will correspond to the number of bedrooms. The maximum occupancy limit will depend on local ordinances and regulations and the square footage of usable sleeping area as defined by Rural Development regulations. Presently, the occupancy limits for this unit are as follows: _____ person minimum occupancy; _____ person maximum occupancy. Notwithstanding the above, Owner/Manager shall have the right to make reasonable accommodations for individuals with disabilities and may adjust occupancy limits to further the goal of reasonable accommodation.

6. **TERM OF LEASE.** This Lease Agreement will commence on _____, 20____. If this Lease Agreement commences on the 1st of a month, this Lease will run for a one year term from its date of commencement. In the event that this lease commences mid-month, the term of this Lease Agreement term will be for one year from the 1st of the month following commencement (i.e., if Tenant's lease commences on July 19, 2005, this lease will run until July 31, 2006). This Lease Agreement will expire at midnight

_____, 20____. This Lease Agreement automatically renews for additional terms of one year, calculated from the date of expiration, (unless the federal loan for this project will be repaid, in which case the final term may be for less than one year) provided that Tenant continues to meet eligibility requirements. Tenant must notify Owner/Manager in the manner described in paragraph 14 of this Lease Agreement if Tenant does not desire automatic renewal.

In the event that this lease commences mid-month, Tenant will pay, prior to commencement of this Lease Agreement, pro-rated rent for the period from the day when this Lease Agreement is commenced until the end of the commencement month. Tenant's rent for the month following commencement and each month thereafter will be due and payable on the 1st of each month in accordance with paragraph 9 of this Agreement (i.e. If Tenant's lease commenced on July 19, 2005, Tenant would pay 13/31's of the rent prior to the commencement of the lease and on August 1, 2005, and each month thereafter, Tenant would pay one full month's rent.)

7. ELIGIBILITY REQUIREMENTS. Prior to execution of this Lease Agreement, Tenant must provide the managing Agent with verification of income and complete an application for housing. All eligibility and rental rate requirements are determined through the Rural Development 3560-8 Tenant Certification Form. Tenant will be required to provide information about: sources of Tenant's income (work, support payments, unemployment compensation, AFDC, etc.); Tenant's assets (bank accounts, savings bonds, real property, whole life insurance policies, etc.); Tenant's medical, childcare and disabled assistance expenses; and names and ages of household members. The Tenant understands that rental rates are based on the 3560-8 and agrees to submit to annual recertification of income and eligibility. The Tenant agrees to cooperate with this process by providing all required income and household member information.

8. RURAL DEVELOPMENT REQUIRED LEASE CLAUSES. The following lease clauses are required by Rural Development. Tenant should read each one carefully. Tenant's signature on this Lease Agreement certifies that Tenant has read, understood and agreed (where applicable) to all of the following representations:

(a) **Nondiscrimination.** The project in which Tenant will rent is Rural Development financed and is subject to nondiscrimination provisions of Title VI of the Civil Rights Act of 1964, Title VIII of the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975. All complaints are to be directed to the Administrator, USDA Rural Development, Washington, DC 20250. However, complaints of Fair Housing violations may be sent directly to the Secretary of Housing and Urban Development, Washington, DC 20410.

(b) **Overcrowding or Underutilization.** If Tenant's unit should become overcrowded or underutilized or should the Tenant no longer meet the eligibility requirements of the project during the term of the lease agreement, he/she will be

required to vacate the unit at the end of the lease term unless eligibility can be established following specified steps, such as moving to an appropriate sized unit, or an exception is granted by management.

(c) **Personal Possessions.** Tenant's tenancy still exists during the time that Tenant's household personal possessions remain in the apartment unit (even after the Tenant's household has moved out with the intent to vacate and leave the project). The tenancy exists until such time as the personal possessions have been removed voluntarily or by legal means (in accordance with State or local law).

(d) **Rent Escalation Clause.** It may become necessary to change rent or occupancy charges PRIOR TO THE EXPIRATION of this Lease Agreement due to changes in utility or other operating costs. All increases must be approved by Rural Development, but if the escalation of rent is approved, it will take effect upon 30 days notice, EVEN IF THE LEASE TERM HAS NOT EXPIRED. No increase will be due to prepayment of the Rural Development loan. In the event that Owner's Federal subsidy is curtailed due to a default of Owner, rent shall not change over that which would have been required if the subsidy remained in place.

(e) **Prepayment Notice.** [Place "X" on underlined space if this clause is applicable]. This federal loan on the project will be prepaid. "As a condition of the Government's approval of a request to accept early payment on notes owed, the tenant household is protected, to the extent herein disclosed, against involuntary displacement (except for good cause) and against having the tenant household contribution level (rent) materially increased **until [insert a date 20 years from the date of the last Rural Development loan or servicing action making the loan subject to prepayment restriction, or insert "the tenant household decides to move" depending on the restrictive-use provision accepted by the Owner]**. Specifically, the tenant household contribution level (rent) must be consistent with those necessary to maintain the project for low- and moderate-income tenants. Those tenant households whose tenant household contribution level (rent) did not exceed 30 percent of their monthly adjusted income at the time the prepayment was accepted, may have their tenant household contribution level (rent) raised to the lesser of 30 percent of their monthly adjusted income or 10 percent of their gross monthly income per year. Those tenant households whose tenant household contribution level (rent) exceeded 30 percent of their monthly adjusted income at the time the prepayment was accepted, may have their tenant household contribution level (rent) raised to the lesser of the latest U.S. Consumer Price Index or 10 percent per year.

(f) **Change in Eligibility Standards.** "I understand that I will no longer be eligible for occupancy in this Project if my income exceeds the maximum allowable adjusted income as defined periodically by USDA Rural Development for the State of Maine and _____ County.

(g)_____ Change in Income or Household Members. “I agree I must immediately notify the management/Owner when there is a change in my gross income or adjustment to income, or when there is a change in the number of persons living in the household. I understand my rent or benefits may be affected as a result of this information. I also understand that failure to report such changes may result in my losing benefits to which I may be entitled or may result in the Management/Owner taking corrective action if benefits were mistakenly received. I understand the corrective action the Management/Owner may take includes the initiation of a demand for repayment of any benefits or rental subsidies improperly received, initiation of a notice to cancel any rental assistance or Section 8 assistance being received for the balance of my certification period, initiation of a notice to increase my monthly rent to \$_____ per month (note rate rent for Plan II projects or 125 percent of rent in Plan I projects), or initiation of a notice of termination. I understand that one or more of these remedies may be initiated at the option of the management/Owner.

(h)_____ Extended Absence. “I understand that I must promptly notify the Owner/Agent of any extended absences and that if I do not personally reside in the unit as my primary residence (except for health or emergency) that the lease will not be renewed.

(i)_____ Receipt of Rental Benefits to Which Tenant is not Entitled. “I understand that should I receive rental benefits to which I am not entitled due to my/our failure to provide information or due to incorrect information provided by me or on my behalf by others, or for any other household member, I may be required to make restitution and I agree to pay any amount of benefits to which I was not entitled.

(j)_____ Income Certification. “I understand that income certification is a requirement of occupancy and I agree to promptly provide any certifications and income verifications required by the Owner to permit determination of eligibility and, when applicable, the monthly Tenant contribution to be charged.”

(k)_____ Violations of Drug Laws. All leases, including renewals, must include the following language: “It is understood that the use, or possession, manufacture, sale or distribution of an illegal substance (as defined by local, state, or federal law) while in or on any part of this apartment complex or cooperative is an illegal act. It is further understood that such action is a material lease violation. Such violations (hereinafter called “drug violation(s)”) may be evidenced upon the admission to or conviction of a drug violation. It is further understood that domestic violence will not be tolerated on Rural Housing properties, and that such action is a material lease violation. All perpetrators will be evicted, while the victim and other household occupants may remain in the unit in accordance with eligibility requirements.

The landlord may require any lessee or other adult member of the tenant household occupying the unit (or other adult or non-adult person outside the tenant household who is using the unit) who commits a drug violation or domestic violence to vacate the leased unit permanently, within time frames set by the landlord, and not thereafter enter upon the landlord's premises or the lessee's unit without the landlord's prior consent as a condition for continued occupancy by members of the tenant household. The landlord may deny consent for entry unless the person agrees not to commit a drug violation or domestic violence in the future and is either actively participating in a counseling or recovery program, complying with court orders related to a drug violation or domestic violence, or has completed a counseling or recovery program.

The landlord may require any lessee to show evidence that any non-adult member of the tenant household occupying the unit, who committed a drug violation or domestic violence, agrees to not commit a drug violation or domestic violence in the future, and to show evidence that the person is either actively seeking or receiving assistance through a counseling or recovery program, complying with court orders related to a drug violation or domestic violence, completed a counseling or recovery program within time frames specified by the landlord as a condition for continued occupancy in the unit. Should a further drug violation or domestic violence be committed by any non-adult person occupying the unit, the landlord may require the person to be severed from tenancy as a condition for continued occupancy by the lessee.

If a person vacating the unit, as a result of the above policies, is one of the lessees, the person shall be severed from the tenancy and the lease shall continue among any other remaining lessees and the landlord. The landlord may also, at the option of the landlord, permit another adult member of the household to be a lessee.

Should any of the above provisions governing a drug violation be found to violate any of the laws of the land, the remaining enforceable provisions shall remain in effect. The provisions set out above do not supplant any rights of tenants afforded by law."

(1) ____ **Occupancy of Handicapped Unit by Person Not Handicapped** *[Only applicable in the special situation where a handicapped accessible unit is temporarily rented to Tenants who do not need the specially designed features. Put "X" in the underlined space if this clause is applicable.]* "I/we acknowledge that I/we am/are occupying designated handicapped accessible unit. I/we acknowledge that priority for such units is given to those needing special physical design features. I/we acknowledge that I/we am/are permitted to occupy the unit until management issues a notice that a priority applicant is on the waiting list and that I/we must move to another suitably sized vacant unit in the project. Upon receiving this notice, I/we agree to move at my/our own expense within 30

calendar days to the suitable sized vacant unit within the project, if one is available. I/we further understand my/our rental rate will change, when appropriate, to the rental rate for the unit I/we move to and this lease will be modified accordingly.”

9. DUE DATE OF RENT AND UTILITY PAYMENTS. \$ _____, Tenant’s monthly rental payment) are payable without invoice and due on the 1st of each month but will not be considered late if they are received by the 5th of each month. Payments are to be paid during designated site office hours or mailed to _____ office, _____, _____, _____ (unless other arrangements accepted by management have been made.) Payments are credited on the date that they are received, not on the date on which they are mailed. Prepayments are accepted only if the Tenant will be away during rent payment period. Personal checks or money orders are accepted and should be made payable to _____ or _____. Should a check be returned to management because of insufficient funds, Tenant will be responsible for any and all charges to Project accounts. After two (2) returned checks only bank checks or money orders will be accepted for payment.

Unless prior accepted arrangements have been made, payments made after the 5th are considered late. Repeated late rental payments are lease violations and can lead to termination of this Lease Agreement. If payment is not received by the 16th of the month, a late fee in the amount of 4% of Tenant’s rent contribution will be added on the 17th. Water, sewer, and trash collection payments are the responsibility of the Owner.

Tenant has responsibility for prompt payment of all telephone and cable TV (if available and inclusive of hook-up/installation) charges and all electric utilities. At move-in, Tenant must notify the electric company to place the apartment meter in Tenant’s name and sign a utility release for management. Tenant receives a utility allowance if applicable under this Lease. Failure to pay utilities is a Lease violation. Should the meter be turned off or be removed this could lead to termination of this Lease Agreement.

10. RENT AND UTILITY CHANGE PROVISIONS. The following lease clauses are required by Rural Development. Tenant should read each one carefully. Tenant’s signature on this Lease Agreement certifies that Tenant has read, understood and agreed (where applicable) to all of the following representations:

a) **Basic Information** *[Indicate on form whichever provisions apply to Tenant’s unit an “X” in the underlined space.]*

 Subsidized (RA) Provisions Apply to Tenant’s Unit.

“I understand and agree that as long as I receive rental assistance, my gross monthly Tenant contribution (as determined on the latest form Rural Development

3560-8, which must be attached to this Lease) for rent and utilities will be \$ _____. If I pay any and all utilities directly (not including phone or cable TV), a utility allowance of \$_____ will be deducted from my monthly Tenant contribution and my resulting net monthly contribution will be \$_____. If my net monthly Tenant contribution would be less than zero, the lessor will pay me \$ _____.

“I also understand and agree that my monthly Tenant contribution under this Lease may be raised or lowered based on changes in the household income, failure to submit information necessary to certify income, changes in the number and age of persons living in the household, and on the escalation clause in this Lease. Should I no longer receive rental assistance as a result of these changes, or the rental assistance agreement executed by the Owner and Rural Development expires, I understand and agree that my monthly Tenant contribution may be adjusted to no less than \$ _____ (Basic Rental) nor more than \$ _____ (Note rate Rental) during the remaining term of this Lease, except that based on the escalation clause in this Lease these rental rates may be changed by a Rural Development approved rent change.

“I understand that every effort will be made to provide rental assistance so long as I remain eligible and the rental assistance agreement between the Owner and Rural Development remains in effect. However, should this assistance be terminated, I may arrange to terminate this Lease, giving proper notice as set forth elsewhere in this Lease Agreement.”

- OR -

____ *Plan I (Either With or Without Interest Credit) Provisions Apply to Tenant's Unit.*

“I understand and agree that my rent rate of \$ _____ (includes) (excludes) [delete whichever clause is not applicable] my cost of utilities. I further understand and agree that should I be permitted to occupy when my income exceeds maximum limits, I shall pay a 25 per cent rental rate surcharge in addition to my rental rate.”

- OR -

____ *Plan II (Interest Credit Only) Provisions Apply to Tenant's Unit.*

“I understand and agree that my gross monthly Tenant contribution as determined on the latest Rural Development 3560-8, which must be attached to this Lease, for rent and utilities will be \$ _____.”

“If I pay any or all utilities directly (not including telephone or cable TV), a utility allowance of \$ _____ will be deducted from my gross monthly Tenant contribution except that I will pay not less than the basic rent nor more than the note rate rent stated below. My net monthly rent will be \$ _____. I understand that should I receive rental subsidy benefits (interest credit) to which I am not entitled, I may be required to make restitution and I agree to pay any amount of benefit to which I was not entitled. I also understand and agree that my monthly Tenant rent under this Lease may be raised or lowered based on changes in the household income, failure to submit information

necessary to certify income, changes in the number and age of persons living in the household and on the escalation clause in this Lease Agreement. My Tenant contribution will not, however, be less than \$ _____ (Basic Rental) nor more than \$ _____ (Note Rate Rental) during the term of this Lease, except that based on the escalation clause in the Lease Agreement, these rental rates may be changed by a Rural Development approved rent change.”

b) Rent Increase. During the term of this Lease and with Rural Development approval, the basic market rents may be increased. The Tenant understands that should the basic rent be increased, then a rental payment will not be lower than the new basic rent. Tenants always receive a 30-day notice of a rent increase based upon Rural Development approval and are notified of proposed increases 60 days prior to the intent to change rental rates.

c) Notice of Rent Increase and Obligation to Cooperate with Recertification. Should a change in income occur which results in rent increase, Tenant will receive a 30-day notice of the increase. In the same manner, at annual recertification, a 30-day notice will be given of rent change. This 30-day notice will not occur if Tenant has withheld income change information from Agent or is delinquent in providing income information for annual recertification. Should Tenant not cooperate with the recertification procedure, upon expiration of the current certification Tenant will be charged note rate rent and eviction proceedings will be instituted.

d) Recertification Requirements. Tenant must notify Owner/Agent immediately of all changes in gross income or increase/decrease of assets. While this is not meant to be an exhaustive list, changes in income may result from changes in hours worked, salary rates, social security, pensions, public assistance, and sale of assets. Tenants must also notify Owner/Agent of any changes in adjustments to income. While this is not meant to be an exhaustive list, changes in adjustments to income could result from changes in the number of minors or handicapped people in the household, changed medical expenses, and changed childcare expenses. In the event that changes in permanent income either increase by \$100.00 per month or more, or decrease by \$50.00 per month or more, Tenant’s permanent income from the level which it was at during the most recent certification, Owner/Agent will proceed with recertification based on the new information.

e) Consequences If Tenant’s Income Exceeds Rural Development Guidelines. Should the Tenant’s income exceed the maximum allowable amount as set by Rural Development, Tenant is no longer eligible for occupancy in this Project and must vacate the unit in thirty (30) days or at the end of the term of this Lease Agreement (whichever is longer) unless an exception is granted by the State Director, Rural Development. However, should the Tenant remain in the unit for the remainder of the term of the Lease, Tenant must pay note rate rent.

f) Consequences If Occupancy Standards Are Not Met. If family composition changes so occupancy standards are no longer met, Tenant agrees to transfer

to an appropriate bedroom size when one is available unless continued occupancy in unit is permitted by Owner/Manager. Transferal will occur upon a 30-day notice from the managing Agent; should the Tenant refuse transferal as required by this Lease, rent will be raised to note rate. During the term of the Lease, Tenants required to transfer may remain in the current unit; however, should an appropriate bedroom size unit not become available at the end of Lease term Tenant must vacate the unit unless extenuating circumstances lead to Landlord/Rural Development permission to remain.

11. **SECURITY DEPOSIT.** Tenant understands that a security deposit is required under this Lease Agreement and agrees to deposit one month's basic rent (\$_____) with the Owner/Manager. The deposit must be paid prior to occupancy unless paragraph (a) of this section is applicable. The security deposit is placed in a trust account. Should the Lease be broken and Manager cannot re-rent promptly, or should unpaid rent or late fees be due, or any damages unpaid, this deposit will be applied to these charges upon Tenant vacating the unit. Damage is any harm to the unit beyond normal wear and tear. In case of Tenant death, these charges will be levied against the estate. After any deductions as listed, balance (if any) of deposit shall be refunded to Tenant or estate. Tenant will receive a written statement which itemizes the reasons for security deposit retention within thirty (30) days of vacating the premises. If charges exceed deposit amount, then Tenant or estate shall be billed for the amount exceeding deposit. The following provisions may alter or amend the amount or time for payment of the security deposit:

(a) If the household is eligible for Section 8 assistance or the RA program and payment of the security deposit in full would bring hardship on the Tenant, then the security deposit may be paid in installments. If the Tenant is eligible for installment payments and the project is an RRH project, the first payment shall be no less thirty (30) percent of adjusted monthly income plus \$15 per month, or that amount needed monthly to complete the security deposit within 3 months whichever is greater. The remaining balance of the security deposit shall be paid in two equal installments, with the first due on the 1st day of the second month of the lease term and the second due on the 1st day of the third month of this Lease Agreement. If the installment payments are not met, the entire security deposit is immediately due and payable in full.

(b) If the tenant is allowed to have a pet and does in fact have one, a reasonable additional security deposit of \$_____ (which may not be larger than one month's basic rent) will be charged. This provision does not apply in the event that the pet is a service animal and no additional security deposit will be charged for service animals.

12. **TENANT RESPONSIBILITIES.** By signing this rental agreement, Tenant agrees to undertake the obligations set forth below. Tenant should read each obligation carefully:

(a) **Pay Rent and Utilities.** Tenant agrees to pay the rent each month on or before the 1st without a statement of billing; and to pay electric, gas, and _____ (fill in any other applicable utilities) utility bills for this unit;

(b) **Number of Occupants.** Tenant agrees not to accommodate boarders or lodgers and not to admit other members to this household without prior management approval. This unit is a dwelling for only those persons listed on paragraph 1 of this Agreement;

(c) **Request Permission to Sublet.** Tenant agrees not to sublet or assign this apartment without the prior consent of both the management/Owner and Rural Development;

(d) **Safety, Maintenance and Damage.** Tenant agrees to keep the unit in a safe, sanitary condition, to keep grounds, parking area, walks and common areas in a neat, orderly fashion, to follow all maintenance procedures, to dispose of trash as directed in the management handbook; NOT to store any household items outside the unit; NOT to install outside antennas, NOT to keep any gasoline or dangerously flammable materials in the unit; NOT to park non-operating vehicles in the parking lot; NOT to bring any appliances without management approval; not to cause damage to the unit; not to make any repairs or alterations to the unit without written consent from the Manager/Owner; not to hang pictures or other articles in a manner disallowed by management; and to notify management of any repairs necessary or damage. If damage is caused, Tenant must report this immediately to management and will receive a billing for repair costs. If Tenant is unwilling to pay for these costs, a separate legal process may be used to collect the charges due (as opposed to subtracting the costs from the monthly rental payment). Intentional damage to unit, grounds and/or common areas is cause for lease termination.

(e) **Permission to Enter.** Tenant agrees to permit Manager or representative to enter the premises during all reasonable hours to examine the unit, make repairs or show the unit for releasing, or to enter to determine if premises are being used in violation of Lease Agreement terms;

(f) **Absence from Premises.** Tenant agrees to advise management of any planned absence of Tenant for a period of 2 weeks or more and not to allow anyone to stay in the unit while Tenant is absent;

(g) **Avoid Disturbance of Others.** Tenant agrees NOT to create unusually loud noises so as to disturb others;

(h) **Surrender in Good Condition.** Tenant agrees to leave the premises in good condition upon lease termination, surrender the unit (and all keys) in good condition, and pay all damages.

(i) **Visitors.** Tenant may have visitors or guests. However, Tenant agrees to be responsible for the conduct of all family members, guests and visitors to Tenant's household, both in the unit and on the property of this development. Tenant also agrees to supply Owner or Manager with proof of domicile of guest if Manager/Owner so requests. Manager/Owner may request proof of domicile when visitor(s) makes reoccurring visits or one continuous visit of 14 days and/or nights in a 45-day period

without prior notification. Owner/Manager may take appropriate action as set forth in this lease if the Tenant cannot provide sufficient evidence that the visitor has another domicile as the visitor will be deemed a household member.

(j) **Rules and Regulations.** Tenant further agrees to follow rules and regulations regarding:

- a) Office hours;
- b) Community lounge and laundry use;
- c) Assigned parking; and
- d) Pets.

All rules and regulation are posted on the community bulletin board and distributed to Tenants individually. Failure to follow the rules is a violation of this Lease Agreement and grounds for termination of this Lease Agreement.

13. **OWNER/MANAGER RESPONSIBILITIES.** Owner/Manager agrees to:

a) **Maintenance.** Maintain the buildings and common grounds in decent, safe and sanitary condition in accordance with Rural Development regulations and local housing codes. Provide snow removal, trash removal, grounds maintenance, cleaning and upkeep of common areas and hallways at no cost to the Tenant. Repairs are to be done at no cost to the Tenant unless resulting from damage or special projects for Tenants (such as installation of additional shelves) with management approval. In those cases, Tenant is to be billed.

b) **Inspection/Appliances.** Furnish the Tenant with a unit, appliances installed (stove, refrigerator). Prior to Tenant moving into and after the Tenant moving out of the unit, Owner/Manager will give the Tenant a written statement of the condition of the unit based upon an inspection of the unit. Give Tenant written notification of any inspection dates so that Tenant has the opportunity to participate in the inspection. Give Tenant copies of all documents and forms signed by both parties or Tenant along with any other pertinent data (orientation booklet, appliance manuals, maintenance procedures, emergency numbers).

c) **Rent Payments.** Accept rental payments without regard to any other charges owed by the Tenant to management and to seek separate legal remedy for the collection of such charges.

d) **Seizure of Property.** Not to seize and hold the property of the Tenant for rent or other financial obligations of the Tenant, except in cases of abandonment; in cases of abandonment, property will be disposed of in accordance with State of Maine law. Under Maine law (33 M.R.S.A. 1801 et seq.), a landlord may dispose of property if the Tenant vacates the premises, leaves property behind, and either does not claim the property within 14 days of written notice from the landlord (the notice is sent to the Tenant's last known address) or fails to take/remove the property within 10 days of claiming ownership. The landlord may condition release of the property on the

payment of any remaining balances due the landlord for rent or damage being paid by the Tenant. If the Tenant does not claim or take possession of the property within the period described above, and the property is worth less than \$500, the landlord may sell the property at its fair market value and apply the proceeds to unpaid rent, damage done by the Tenant, or storage costs incurred in keeping the property. Any remaining proceeds will be paid to the Treasurer of Maine under the Secretary's unclaimed property program. If the Tenant does not claim or take possession of the property within the period described above, and the property is worth more than \$500, the landlord must obtain direction from the Treasurer of Maine who will either take the property or order it sold in a commercially reasonable manner with proceeds first applied to unpaid rent, damage, and costs of storage.

14. LEASE TERMINATION.

a) **By Tenant.**

1) **Desire Not to Renew at End of Term.** Tenant has agreed to execute a lease for one (1) year. Should Tenant not wish to renew this Lease Agreement, notice in writing must be given to the management office thirty (30) days prior to lease termination.

2) **Desire to Terminate During Term.**

A) **Good Cause only during First Term.** Tenant may terminate this Lease Agreement during its term for "good cause" with thirty (30) days written notice to the management office. "Good Cause" is defined as such reasons customary or mandatory in the community, such as an involuntary transfer of Tenant's employment, an involuntary termination of Tenant's employment, death of a spouse, or severe illness of Tenant or notification of the tenant by the Owner/Manager of intent to prepay. In the event that Tenant's lease is terminated pursuant to this clause, should the unit not be re-rented immediately, security deposit money may be used to cover the loss of rent.

B) **Any Cause after First Term.** After the first term (12 months) of the Lease, Tenant may give management a thirty (30) day notice of intention to vacate on the 1st day of the month in writing. Tenant will be responsible for payment of rent and all utilities for the thirty (30) day period. Tenant agrees that security deposit money shall not be used for last month's rent.

b) **By Management.** Management may terminate this Lease Agreement or refuse to renew it if there is material noncompliance with this Lease Agreement or other "good cause".

1) **Material Noncompliance.** “Material noncompliance” includes, but is not limited to the following:

- A) One or more substantial violations of this Lease Agreement;
- B) Nonpayment or repeated late payments (payments after the 5th of each month) of rent or any other financial obligation due under this Lease Agreement [NOTE: In order to enforce a termination for nonpayment of rent, it shall not be necessary to make a demand on the same day the rent shall become due, but a demand and refusal or failure to pay at any time on the same day or at any time on a subsequent day shall be sufficient];
- C) Admission to or conviction for the use, attempted use, possession, manufacture, sale or distribution of an illegal controlled substance that is conducted or allowed in or on the premises by the Tenant or someone under the Tenant’s control. The Tenant has a responsibility to remove guests and household members who conduct illegal activity involving controlled substances.

2) **Other Good Cause.** Prior to terminating this Lease Agreement for “Other Good Cause”, Owner/Manager will give Tenant written notice that Tenant’s conduct is grounds for termination. If Tenant or Tenant’s household persist in the conduct, this Lease Agreement will be terminated. Other “Good Cause” includes the following:

- A) Not eligible for tenancy;
- B) Action or conduct of the Tenant or member which disrupts the livability of the project by being a direct threat to the health or safety of any person, or the right of any Tenant or member to the quiet enjoyment of the premises and related project facilities, or that results in substantial physical damage causing an adverse financial effect on the project, or the property of others, EXCEPT when such threat can be removed by applying a reasonable accommodation;
- C) Any violations of State or Federal laws where the violation in any way involves the premises;
- D) Repeated minor violations of this Lease Agreement or the rules and regulations of the project which disrupt the livability and harmony of the project by adversely affecting the health or safety of any person, or the right of any Tenant to quiet enjoyment of the leased premises and the related project, or that have an adverse financial impact on the project;

- E) Failure to provide requested certification information or misrepresentation of certification information. Certification information is information provided by the Tenant upon which is used to make rent, income or eligibility determinations. Certification information will be requested of the Tenant at least annually and more often if necessary due to the operation of paragraph 10(d) of this Lease Agreement. Tenant will receive an annual recertification notice during the period of 90 to 75 days prior to the end of the Tenant's term. Tenant will receive another written notice at 30 days prior to the end of Tenant's term. Failure to respond to recertification notices and provide necessary certification information will result in Tenant being charged note rate rent and eviction.

3. General Information on Termination.

- A) The failure or omission of the management to terminate this lease for any clause shall not destroy the right of management to do so later for a similar or other causes.
- B) Should management decide to terminate Lease Agreement, a written notice in accordance with State law must be given to the Tenant. For non-payment of rent a seven day Notice to Quit would be issued. For other "good cause" a 30 day Notice of Lease Termination would be issued.

15. MODIFICATION TO LEASE OR RULES AND REGULATIONS/NOTICE TO TENANTS. The Owner/Management may modify the terms and conditions of this Lease Agreement, effective at the end of the initial term or a successive term, by serving an appropriate notice on the Tenant, together with the tender of a revised lease or an addendum revising the existing lease. This notice and tender shall be delivered to the Tenant either by first-class mail, properly stamped and addressed, or hand delivered to the premises to an adult member of the household.

The date on which the notice shall be deemed to be received by the Tenant shall be the date on which the first-class letter is mailed or the date on which the copy of the notice is hand delivered to the premises. The notice must be received at least thirty (30) days prior to the last date on which the Tenant has the right to terminate the tenancy without executing the revised lease. The notice must advise the Tenants that they may appeal modifications to the lease in accordance with Rural Development Tenant grievance and appeals procedure if the modification will result in a denial, substantial reduction or termination of benefits being received.

The same notification will be applicable to any changes in the rules and regulations for the project.

16. ASSIGNMENT OF LEASE/PREPAYMENT OF RURAL DEVELOPMENT LOAN. In the event of a change in Ownership and/or Management of this property, this lease may be assigned to the new Ownership and/or Management. In the event of

prepayment of the Rural Development loan, the Owner/Agent will give Tenant a six month notice of intent to prepay. Tenant contributions to rent may not be increased for the term of the lease. (The escalation clause for rent changes approved by Rural Development for budgetary reasons will continue to be applicable, however.) Any lease signed after notification of intent to prepay, but prior to prepayment may be for a term which ends on the date of prepayment. All applicable Rural Development procedures will be complied with in the event of borrower prepayment.

17. DESTRUCTION OF PREMISES DUE TO FIRE OR OTHER DISASTER. In the event that the premises are either partially or completely destroyed by fire, Owner/Manager may, at their sole discretion and without liability to Tenant, elect to either terminate this Lease Agreement or repair/rehabilitate the Premises within three months. If the election to rehabilitate or repair is made, Tenant's rent and occupancy charges shall be pro-rated so that Tenant does not pay for the period when Tenant cannot occupy the premises. If the Premises are not rehabilitated or repaired within three (3) months of the date of the fire or other disaster, this Agreement will immediately terminate.

18. SEVERABILITY. In the event that any provision of this Agreement is found to be contrary to federal, state, or local law or regulations, the remainder of this Agreement shall continue in full force and effect.

19. METHOD OF GIVING NOTICE. Notice called for under the terms of this Lease Agreement must be given in writing and may be delivered by first-class mail, postage prepaid, to the following addresses:

- a) Notice by Tenant to Owner/Manager
_____ [Name of Project]
_____ [Address of Project]

- b) Notice by owner/Manager to Tenant
_____ [Name of Tenant]
_____ [Address of Tenant]

Notice may also be given by serving a copy of the notice to any adult person answering the door at the unit or, if no one responds, by slipping the notice under either the Tenant's unit's door (in the case of Owner/Manager giving notice) or by placing it under the door of SPECTRUM SEMINARS' office at the project (in the case of Tenant giving notice), or by affixing the notice to the door. The date on which the notice shall be deemed to be received by the Tenant shall be the date on which the notice is either mailed, given to an

adult at the unit, slipped under the door, or affixed to the door (depending on the method of service used).

20. GRIEVANCE PROCEDURES. Tenant's grievance or appeal from a decision of Owner/management shall be resolved in accordance with procedures consistent with applicable Rural Development regulations. Rural Development regulations governing grievance or appeal procedures are posted in the management office.

21. DISCLAIMER. Neither the Owner/Agent nor any of its representatives or employees shall be liable, and Tenant agrees not to hold them liable, for damage or loss to the property of the Tenant, any member of the Tenant's family or visitors, or personal injury including death to any person in or near the unit which results from theft, vandalism, or the elements or any other cause except for intentional acts or negligence on the part of the Owner/Agent.

22. THIS LEASE IS THE ENTIRE AGREEMENT OF THE PARTIES. This Lease, together with attachments and any future amendments approved by Rural Development, evidences the entire Agreement between management and Tenant(s) and no changes shall be made except in writing. Also, this lease together with attachments and amendments will be completed and executed in duplicate with one copy for management and the other for Tenant. Notwithstanding anything in this Lease to the contrary, this Lease shall in all aspects comply with all federal and state housing laws applicable to this development and to any relevant Rural Development regulations in effect from time to time.

23. SIGNATORY CLAUSE. This Lease Agreement is effective on the lease date when executed by the Tenant and Manager (authorized by the Owner to execute the Lease and all other documents on its behalf). In signing this Lease, **Tenant agrees that he/she has read the Lease and enters into Agreement of his/her own free will.** The Tenant will receive a duplicate original of this Agreement.

Tenant Signature _____ Date _____

Co-Tenant Signature _____ Date _____

Owner Signature _____ Date _____

[Project Owner] by
Owner's Authorized Agent

Attachments:

- a) Rural Development 3560-8 Tenant Certification
- b) Security Deposit Payment Form
- c) Move-In Inspection
- d) Tenant Utility Release Form
- e) Development Rules/Regulations

EMERGENCY NOTIFICATION

All residents of the _____ (project name) must sign this special Lease Supplement.

Tenant Signature

Date _____

Name of Person to Notify in case of an Emergency

Address _____

Phone _____

Name to Contact in Case of Death (if different from above)

Address _____

Phone

_____ [Project Name]

SECURITY DEPOSIT FORM

A security deposit is required for all tenants in this development. The required deposit is equal to one month's basic rent or \$_____. This deposit will be placed in a tenant security deposit trust account for the term of occupancy by the tenant. No interest will accrue to the Tenant on the security deposit. The security deposit may NOT be applied to the last month's rent. At the time of move-out, after a unit inspection of the premises has been conducted, a determination of refund will be made. Any charges to the tenant will be deducted; after deductions, if any, any or all deposit money remaining will be refunded within 30 days.

TENANT _____ UNIT # _____

MOVE-IN DATE _____

REQUIRED SECURITY DEPOSIT \$ _____

PAYMENTS MADE: \$ _____ DATE _____

 \$ _____ DATE _____

 \$ _____ DATE _____

If the deposit is allowed to be paid in installments under the Lease Agreement, the entire amount must be paid in full within _____ months of move-in.

DATE PAID IN FULL: _____

TENANT ACKNOWLEDGEMENT OF SECURITY DEPOSIT POLICY:

MANAGEMENT SIGNATURE _____

_____ [Project Name]

TENANT PERMISSION TO OBTAIN UTILITY RECORDS

Residents of this complex are required by the Lease Agreement to pay electric and heating costs. A utility allowance is in effect for this property. Non-subsidized tenants benefit from this allowance so long as giving all or part of the allowance does not bring the rental amount below the required minimum payment. Any subsidized tenant receives the full benefit of the allowance.

At least annually, per program regulations, an analysis of the utility cost must be completed to determine average kilowatt use and whether or not the current allowance figure is sufficient. The easiest way to compile this data is to obtain information directly from the utility company; approval to release information needed.

RELEASE INFORMATION – Resident of _____ (Project Name)

I/We authorize any representative of SPECTRUM SEMINARS to obtain utility data as needed for my apartment at this complex. The utility company has my/our permission to release the requested information regarding utility use and/or payments during my/our tenancy in this complex.

Tenant Signature

Unit #

Date

Co-Tenant Signature

Unit #

Date

_____ [Project Name] **HOUSE RULES**

As an attachment to the Lease Agreement, these house rules outline certain procedures and policies for this development. Tenants agree to follow these rules as set forth.

I/WE AGREE TO:

1. Use the common areas in accordance with hours posted on the bulletin board and in accordance with any Resident Handbook (if one is provided). Private functions in community lounges or dining room will need prior manager approval. Laundromats and office hours will also be posted.
2. Follow the pet rules for this project [Place an "X" on the underline to indicate which pet rules are appropriate]. The pet rules are as follows:

____ *No Pets Unless they are Service Animals in Accordance with Paragraph 4 of the Lease.* I/we agree to house no pets at this property (unless a service animal is allowed under paragraph 4 of the Lease Agreement). No visiting pets are allowed on the premises.

-OR-

____ *Pets are Allowed in the Elderly Housing Units.* An additional pet security deposit must be paid in accordance with paragraph 11 of the Lease Agreement. Any pet may be required to be removed from the project if its conduct is a nuisance or a threat to the health or safety of the project community. Permission to have a pet must be secured from SPECTRUM SEMINARS prior to Tenant bringing a pet onto the premises or the accompanying grounds. Any pets housed without management authorization will be considered a violation of house rules and Tenant's lease and could lead to serious consequences, including termination of Tenant's lease. Pet policy covers the housing of domestic pets. Visiting pets are not allowed. Further pet rules are as follows:

- a) Residents may house caged birds and small aquariums with fish, turtles or hamsters.
- b) Dogs and cats are allowed under the following conditions:
 - 1) The weight of the full grown animal must be 30 pounds or below;
 - 2) Residents may have only one pet per household unless Owner/Management permission is received for more than one pet;

- 3) Animals must be house trained, in good health with proof of all required immunizations, including rabies (as evidenced by a veterinarian's certificate), be neutered/spayed and licensed.
- 4) A pet security deposit will be required in the amount equal to one month of tenant's rental contribution or \$200, whichever is less. The pet security deposit is above and beyond the Tenant's regular security deposit. Once the resident has moved, or the pet is removed while the resident still occupies an apartment, a refund will be treated in the same manner as a security deposit under the Lease Agreement. The special pet deposit will be applied to any costs for fumigation, cleaning/deodorizing, de-fleaing, emergency boarding, staff costs, etc.
- 5) Tenant is totally responsible for care and cleanliness of Tenant's pet on the premises and accompanying grounds. When outside the unit, animals must be leashed and may not be left unattended. Dogs may not run loose outdoors. Resident is responsible for disposal of kitty litter and "pooper scooping" outdoor waste. An area will be designated for animal exercise on the grounds of the project.
- 6) Tenant must provide management with a signed agreement naming other individual or entity to care for the pet on a temporary or permanent basis if the resident is not longer able to do so. Resident must agree to permit management to implement this agreement if the pet is improperly cared for, shows signs of abuse, or causes damage to the premises or presents a danger to others.
- 7) Tenant acknowledges that Owner/Management is not responsible for any injury or illness to the pet.
- 8) Should another resident or staff member consider the pet to be a nuisance (making noise for substantial lengths of time or at hours so as to disturb the peace and quiet, or menace others) to the project, other residents, or other animals, he/she may file a complaint with management or law enforcement officers. The complaint will then be discussed with the pet owner and may lead to management revoking approval for housing the pet, should allegations prove true.
- 9) Should residents complain of allergies to pets, no pets will be allowed in the elevators or lounges. Pets may only be in common areas with the owner and may not be allowed on furniture.
- 10) Tenant agrees that with written notice, these rules may be amended as Owner/Management deems needed.

3. Park all vehicles in accordance with parking procedures as set forth in the handbook. No vehicles may be parked on the premises that are not in service or will not be used (i.e. cars left unused for winter months). No vehicles may have repairs or maintenance performed by tenants on the property (i.e. oil changes, etc.). No junk cars or inoperable vehicles may be parked on the site. No recreational vehicles (i.e. ATVs, minibikes, etc.) may be ridden on the property. All vehicles with kickstands kept in the parking area will use kickstand bases. All vehicles will be moved in accordance with snow season procedures posted each year.
4. Dispose of trash in tied plastic bags and leave trash in the trash room. Should pick-up days be designated in the handbook tenants will follow those procedures.
5. Authorize management to obtain utility information and to sign the Permission Form that is an attachment to the Lease.
6. Install no additional locks to the unit doors without prior management approval. Upon vacating the unit all keys issued along with any copies made shall be turned in. In the event keys are lost, tenant will be charged total cost for replacement. In the event of a lock-out, tenant will be charged all costs incurred to management for sending staff.
7. Be responsible for the conduct of all members of household, visitors and guests; and to follow all regulations regarding visitation, absence from the unit and adding persons to the household as stated in the Lease Agreement.
8. Written revisions of these rules with prior notice by management in accordance with program regulations. Resident Handbooks (if provided) regarding procedures, emergency contacts, etc., may be revised as needed with updated handbooks issued by management. Policy memos will always be issued in writing to tenants and posted on the community bulletin board.

I/WE HAVE READ THESE RULES, ACKNOWLEDGE THAT THESE RULES MUST BE FOLLOWED, AND AGREE TO FOLLOW THESE RULES.

Tenant _____ Date _____

Co-Tenant _____ Date _____